

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 589 – HB 1392

March 13, 2017

SUMMARY OF ORIGINAL BILL: Authorizes the owner of a residential property, which serves as the owner's primary residence, to cancel a contract with an alarm systems contractor if the contract period is greater than two years, the owner provides a 30-day written notice to the alarm systems contractor after the initial two years in the term, and the owner is required to sell the real property due to medical reasons.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004953): Deletes and replaces section one of the bill such that the only substantive change is the addition of the requirement that the owner provide a letter from his or her treating physician verifying the medical reasons requiring such owner to sell the real property.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 62-32-325(b), at any time during an automatic renewal period of a contract entered into by homeowner and an alarm systems contractor for the provision of alarm services, such contract may be canceled if a party to the contract is being relocated to a hospital, nursing home, or assisted living facility by giving a 30-day written notice to the alarm systems contractor.
- Authorizing a homeowner to cancel an alarm services contract during the renewal period if such homeowner is selling his or her primary residence due to medical reasons is not

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expected to have a significant impact on the number of licensed alarm systems contractors in this state.

- No significant impact on the Alarm Systems Contractor Board (ASCB).
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The ASCB experienced a surplus of \$306,988 in FY14-15, a surplus of \$326,746 in FY15-16, and a cumulative reserve balance of \$1,545,350 on June 30, 2016.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

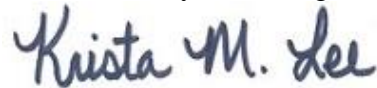
Unchanged from the original fiscal note.

Assumption for the bill as amended:

- This bill as amended may result in a decrease in contract renewals for contracts between homeowners and alarm systems contractors in this state for the provision of alarm services; however, any such decrease in contract renewals is estimated to be not significant and will have no significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb